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**JUSTICE DEPARTMENT APPROVES MINNESOTA INSURANCE COMPANY'S  
MEDICAL FRAUD AND ABUSE DETECTION PROPOSAL**

WASHINGTON, D.C. -- A Minneapolis insurance company will be allowed to work with its competitors, HMOs, and self-funded employer health plans, to weed out fraudulent medical claims under a proposal approved today by the Justice Department's Antitrust Division.

The proposal by Northwestern National Life Insurance Company, would enable its current in-house fraud and abuse detection section, which has developed programs and procedures to detect indications of medical claim fraud and abuse, to offer its fraud detection services to other insurers for a fee.

NWNL does a relatively small amount of private and government health care claims. But, it has developed a cost effective program to detect medical claim fraud and abuse-- offenses that currently account for an estimated \$100 billion annually, or approximately 10 percent of the total health care budget.

NWNL would create a separate section within its employee benefits division to offer its Integrity Plus Medical Fraud and

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Abuse Detection program to outside clients. The new section would service NWNL's claims processing unit in the same manner as it would serve other third party clients.

The fraud detection unit maintains a national databank containing information about false, incomplete or misleading claims practices, and this databank would be updated with information obtained from investigations conducted by the new section. Clients, including NWNL, would be able to access this historical data to identify health care providers they may wish to monitor more carefully. The identity of parties who either provide or obtain information regarding providers would not be revealed to clients, including NWNL. No other information obtained in the course of investigating claims would be shared with NWNL or with other clients.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division. "This service will help to detect medical fraud and abuse and will therefore reduce health care costs," said Bingaman. "The unit will be compensated, in part, by the savings it achieves by detecting instances of fraud or abuse."

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity under the antitrust laws.

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A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless confidentiality has been requested pursuant to Paragraph 10(c) of the Business Review Procedure.

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